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# Republican Policy Committee

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## Senate May Consider VA-HUD Conference Report This Week

This week, the Senate is expected to consider the conference report for H.R. 2099, VA-HUD and Independent Agencies Appropriations Act for FY 1996, which passed the House on Wednesday, December 7, 1995, by a vote of 227 to 190. On November 29, the House voted to recommit the conference report by a vote of 216 to 208, with instructions to the House conferees to add additional funding to the Department of Veterans Affairs for medical care. However, the conferees made no substantive changes to the conference report, and re-submitted it to the House last week.

Attached for your information is a summary of the conference report prepared by the staff of VA-HUD Appropriations Subcommittee Chairman Senator Christopher S. Bond, and two charts, prepared by the subcommittee staff, comparing the conference report funding levels to the FY 1995 appropriation level, and to the Continuing Resolution that expires December 15, respectively. Clearly, the conference report funding levels are not draconian, and they are higher than are being achieved under the current continuing resolution.

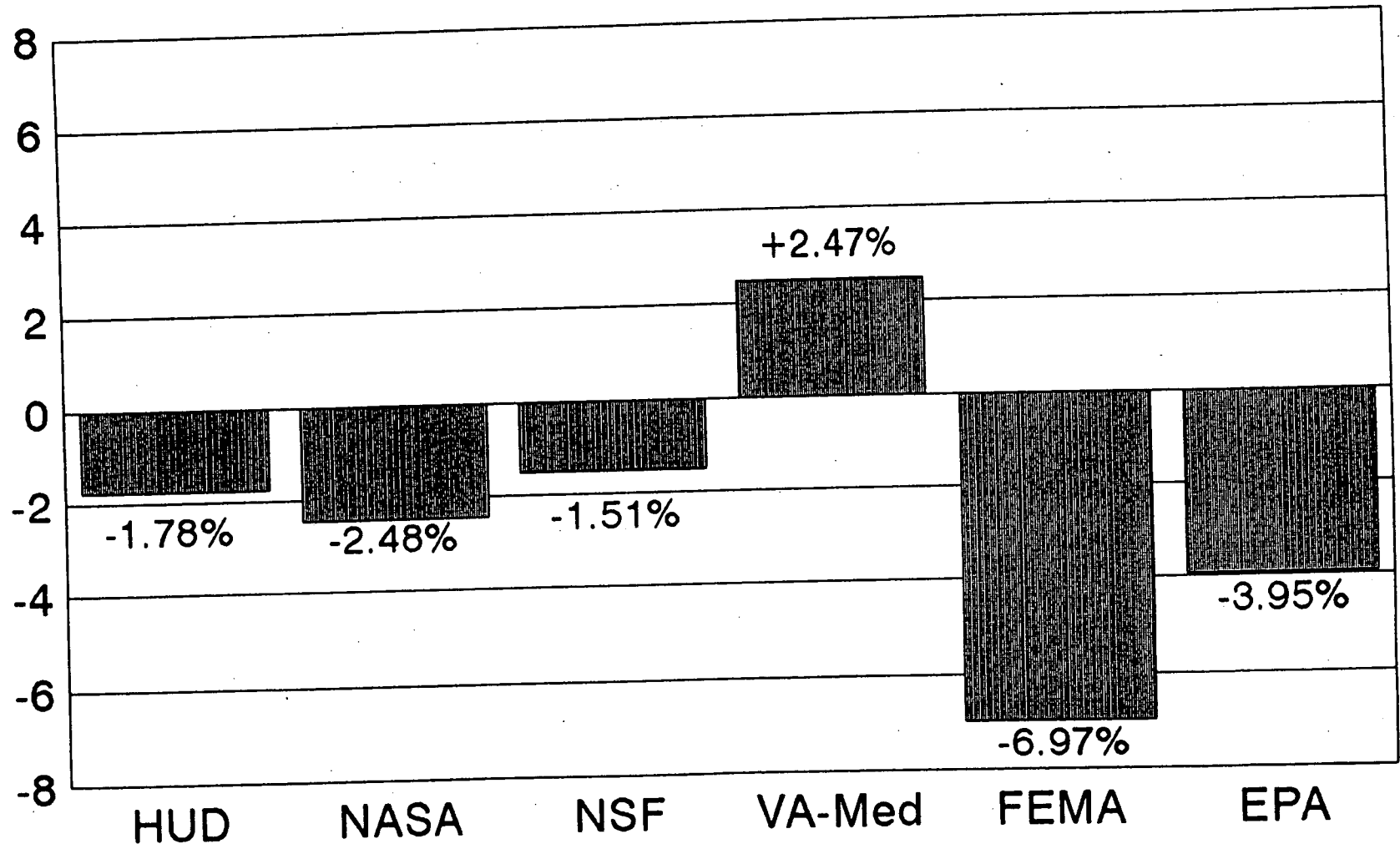
Note: the FY 1995 appropriation levels used for the comparison are the FY 1995 appropriations minus funds reduced by the rescission act, PL 104-19, which reduced funding levels for FY 1995 and the carryovers from prior years. For example, funding for the Environmental Protection Agency in the conference report is 4 percent less than FY 1995 funding minus the rescissions for FY 1995 and prior years; but it is 14 percent less than FY 1995 funding minus the rescissions to FY 1995 (but not counting the rescissions of prior year carryovers). In addition, critics may claim the EPA funding in the conference report is a 22.4 percent cut, but that only reflects the FY 1996 funding compared to the Administration's first, and irrelevant, FY 1996 budget request. For a rebuttal of the EPA portions of the Administration's November 20, 1995, Statement of Administration Policy, see RPC paper "Clinton Claims Cuts Threaten Public Health and the Environment," of 11/22/95.

[Attachments]

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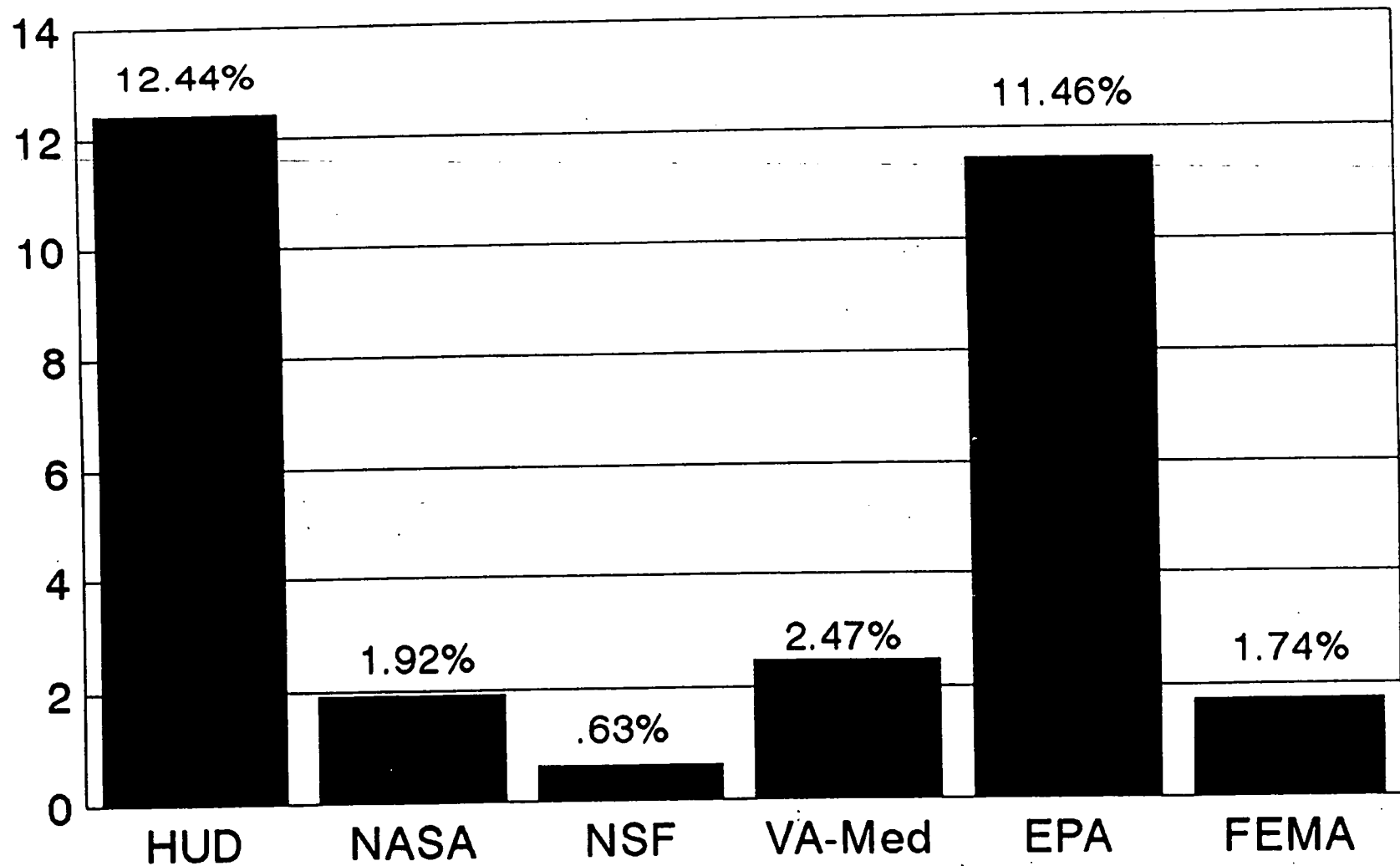
# F.Y. 96 Conference Report Compared to F.Y. 95 Appropriations (percent change)



\* F.Y. 95 Appropriations net of rescission

\* FEMA totals exclude disaster relief

# FY 96 Conference Report Compared to Dec. 15 Continuing Resolution Rate (percent change)



\* FEMA totals exclude disaster relief

## **CONFERENCE REPORT ON FISCAL YEAR 1996 APPROPRIATIONS FOR VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT AND INDEPENDENT AGENCIES**

The Conference Report for fiscal year 1996 includes an additional \$1.1 billion in savings resulting from reform of the Fair Housing Act (FHA) single family assignment program. The following are the highlights of the Conference Report proposal, reflecting those changes from the Senate-passed measure.

### **VETERANS AFFAIRS (VA)**

- o The VA discretionary budget would be \$18.3 billion, an increase of \$353 million in budget authority (BA) and \$248 million in outlays above the Senate proposal.
- o Incompetent veterans provision eliminated.
- o Medical Care would be funded at \$16,564,000,000, an increase of \$114 million in BA and \$98 million in outlays above the Senate-passed level.
- o General Operating Expenses would be funded at \$848,143,000, a decrease of \$24 million below the Senate amount. The \$10 million reduction below the request would include \$908,000 from the Secretary's office, including \$150,000 from travel.
- o Major Construction would be funded at \$136,155,000, including construction funds only for authorized projects.

### **HOUSING AND URBAN DEVELOPMENT (HUD)**

- o The HUD budget would be \$20.1 billion, adopting a majority of Senate-passed funding levels.
- o Multifamily preservation reform will be funded at \$624 million on the basis of CBO appropriate scoring, with a number of technical, programmatic changes, including sunset of program after FY96.
- o Multifamily contract renewals will be provided for a one-year term at current rates for fiscal year 1996 only.
- o Voluntary Mark-to-Market Demonstration Program will be provided during fiscal year 1996, with a credit subsidy appropriation of \$30 million.
- o Public Housing Demonstration proposed in the Senate bill will be included with a further limitation of 25,000 units.

- o The Homeless Assistance program is funded at \$823 million, an increase of \$63 million over the Senate proposal.
- o The Office of Federal Housing Enterprise Oversight remains in HUD.

### **ENVIRONMENTAL PROTECTION AGENCY (EPA)**

- o The EPA budget would be \$5.7 billion, an increase of \$49 million over the Senate and \$819 million over the House amount.
- o Science and Technology would be funded at \$525 million, \$7 million over Senate version. Included in this account would be \$18 million for Superfund research, transferred from the Superfund account.
- o Environmental Programs and Management (proposed new name for Program Administration and Management) would be funded at \$1.55 billion, a reduction of \$120 million below the Senate amount.
- o Superfund would be funded at \$160 million above the House and Senate passed levels (a total of \$1.1634 billion). The amount also includes \$140,945,000 for interagency activities, \$125,076,000 for management and support, and a \$30 million undistributed reduction in administrative costs. \$250 million of the Superfund budget will be from general revenues.

Bill language would be included prohibiting the addition of new Superfund sites to the National Priorities List, unless requested by the governor, or after Superfund is reauthorized.

- o \$100 million for designated sewer grants, including \$25 million for Boston Harbor.

The account includes \$658 million for performance partnership grants or categorical state grants. It would also include \$1.4 billion for state revolving funds, of which \$275 million is for drinking water.

If there is no authorization for drinking water by June 1, 1996, the drinking water State revolving funds, along with the \$225 million in previously appropriated drinking water state revolving funds, would become available for wastewater state revolving funds.

### **EPA LEGISLATIVE PROVISIONS**

1. **Wetlands.** The Senate language eliminating EPA's role in second-guessing the Corps of Engineers' permit decisions would be included. This is just good government. There is no need to have EPA veto decisions made by the

Corps on wetlands permits. EPA's other activities in wetlands protection would be retained.

2. **MTBE.** The Senate provision with respect to the use of MTBE in Fairbanks, Alaska, and ozone attainment status would be included. This recognizes the unique problems posed by Arctic conditions and the health impacts possibly linked to the use of MTBE in cold-weather climates. The provision is supported by the Senate authorizing committee and is not controversial.
3. **Foreign Refiner Baseline.** The Senate provision preventing EPA from imposing a rule weakening environmental requirements on foreign refiners would be retained. This language was part of the FY95 VA-HUD bill, which the House voted to retain last year. It is not controversial and ensures higher environmental standards are met by foreign refiners.
4. **Superfund NPL Listings.** Prohibiting EPA from adding any new sites to the Superfund National Priorities List (NPL) in FY96 unless requested by the Governor, unless the Superfund law is reauthorized.
5. **Kalamazoo.** Authorizing an exemption from water pretreatment standards for industrial dischargers to the Kalamazoo water plant if environmental standards are met through a local pretreatment program.
6. **Radon in Drinking Water.** None of the funds in this Act may be used within the EPA for any final action by the Administrator or her delegate for signing and publishing for promulgation of a rule concerning any new standard for radon in drinking water, a continuation of a prohibition enacted in prior year VA-HUD appropriations.

#### **FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)**

- o The FEMA budget would be about \$700 million, approximately \$200 million more than in the Senate.
- o Food and Shelter would be funded at a level of \$100,000,000.

#### **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)**

- o The NASA budget would be approximately \$13.8 billion.
- o Space Station delayed availability provision is deleted.
- o The Earth Observing System (EOS) reduction is limited to \$75 million, \$10 million more than in the Senate.

Prepared by the staff of Senator Christopher Bond